

Malaysia

ADD (no change)

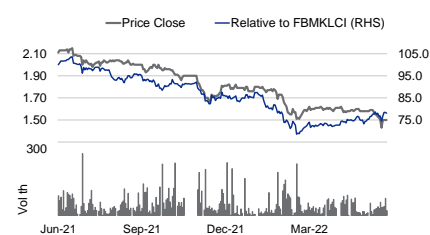
Consensus ratings*: Buy 2 Hold 1 Sell 0

Current price:	RM1.50
Target price:	RM1.93
Previous target:	RM1.93
Up/downside:	28.5%
CGS-CIMB / Consensus:	5.1%
Reuters:	BESH.KL
Bloomberg:	BESHOM MK
Market cap:	US\$102.2m
	RM450.2m
Average daily turnover:	US\$0.01m
	RM0.05m
Current shares o/s:	300.1m
Free float:	46.0%

*Source: Bloomberg

Key changes in this note

- Introduce our FY25F EPS estimates



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-6.3	-4.5	-28.2
Relative (%)	-0.1	5.7	-20.5

Major shareholders	% held
Tan Kai Hee	10.7
Akintan Sdn Bhd	8.1
Excellant Communication Sdn Bhd	5.4

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Beshom Holdings Bhd

A recovery year ahead in FY23F

- FY4/22 core net profit of RM27.2m (-30% yoy) was below our expectations due to weaker-than-expected results from its MLM division.
- We believe recovery prospects in FY23F are intact, driven by i) aggressive recruitment activities, ii) better product mix, and iii) effective sales campaigns.
- Reiterate Add with an unchanged TP of RM1.93 (11.1x CY23F P/E).

4QFY4/22 core net profit declined 52.5% yoy to RM4.5m

Beshom Holdings Bhd's (Beshom) 4QFY4/22 revenue fell 32.2% yoy, mainly due to i) an Omicron wave from mid-Feb 22 onwards and the Ramadan fasting month in Apr 22, which dampened multi-level marketing (MLM) member recruitment and renewal activities, ii) lower retail footfall, and iii) seasonally lower wholesale division sales for its Chinese medicated tonic and cooking wine post Chinese New Year (CNY) promotions. 4Q22 EBITDA margin dipped to 20.5% (-0.8% pts yoy) due to lower economies of scale and a less favourable margin mix. After stripping out one-off gains from disposal of its vintage tea business (RM2.3m), 4Q22 core net profit (CNP) slumped 52.5% yoy to RM4.5m.

FY4/22 CNP dipped 30% yoy to RM27.2m, below expectations

FY4/22 revenue declined 22.8% yoy, owing to lower sales from its MLM (-33.1% yoy) and wholesale division (-9.3% yoy), albeit mitigated by higher retail segment sales (+3.2% yoy). As a result, FY22 CNP was below our expectations, at 92% of our FY22 forecast. The underperformance was mainly due to restrictive movement measures and resurgence of the Omicron wave, postponing most of its physical mega events and sales campaigns during FY22 and resulting in fewer new recruits and renewals. Nonetheless, its GP margin improved to 41.2% (+2.4% pts yoy) on better margin mix and product price hikes for its wholesale products, indicating strong pricing power. Beshom declared a final dividend of 5 sen; full year is 8 sen (84% payout), within our expectations.

Expecting a recovery from FY23F onwards

We believe recovery prospects for Beshom's MLM segment, a key lever for its profitability, are intact in FY23F. This is driven by i) resumption of aggressive recruitment activities through physical events and attractive incentive schemes post removal of movement restrictions, ii) margin expansion on better product mix and product price hikes, iii) its grand 30th MLM anniversary celebration spurring members' spending via attractive end-rewards, and iv) introduction of easy payment schemes and BNPL options.

Reiterate Add with an unchanged TP of RM1.93

We retain our Add call and TP of RM1.93 (11.1x CY23F P/E, 1.5 s.d. below its 5-year mean P/E of 19.2x) and introduce our FY25 estimates. We like Beshom for its i) appealing dividend yield of 8% (FY23-25F), and ii) attractive valuation (currently trading at 8.6x CY23F P/E, a discount of 44% to the MLM sector's 5-year mean P/E of 15.4x). A strong recovery in MLM membership is a key re-rating catalyst. Downside risks: weaker-than-expected recovery in agent count and slowdown in direct sales.

Financial Summary	Apr-21A	Apr-22A	Apr-23F	Apr-24F	Apr-25F
Revenue (RMm)	271.4	209.6	326.1	363.6	371.1
Operating EBITDA (RMm)	58.30	44.59	66.30	78.74	80.62
Net Profit (RMm)	38.82	28.57	45.91	55.22	57.60
Core EPS (RM)	0.13	0.09	0.15	0.18	0.19
Core EPS Growth	13.3%	(29.0%)	66.4%	20.3%	4.3%
FD Core P/E (x)	11.58	16.31	9.80	8.15	7.82
DPS (RM)	0.09	0.08	0.12	0.13	0.13
Dividend Yield	6.00%	5.33%	8.00%	8.67%	8.67%
EV/EBITDA (x)	6.97	9.08	5.77	4.67	4.45
P/FCFE (x)	9.60	15.39	7.50	6.45	6.86
Net Gearing	(16.8%)	(17.4%)	(20.6%)	(23.9%)	(25.6%)
P/BV (x)	1.44	1.42	1.37	1.31	1.25
ROE	12.7%	8.8%	14.2%	16.5%	16.3%
% Change In Core EPS Estimates			0%	0%	
CGS-CIMB/Consensus EPS (x)			1.15	1.08	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

FYE Apr (RM m)	4QFY22	4QFY21	yoy % chg	qoq % chg	4QFY22 cum	4QFY21 cum	yoy % chg	Prev FY22F	Comments
Revenue	45.3	66.8	(32.2)	(23.8)	209.6	271.4	-22.8	237.2	Group revenue affected by re-imposition of MCOs in the first half of FY22. The increase in retail revenue (+3.2% yoy) was unable to offset the drop in MLM (-33.1% yoy) and wholesale (-9.3% yoy) revenue in FY22.
Operating costs	-36.0	-52.5	(31.5)	(23.6)	-165.0	-213.1	-22.6	-194.9	
EBITDA	9.3	14.2	(34.7)	(24.5)	44.6	58.3	-23.5	42.3	
<i>EBITDA margin (%)</i>	20.5	21.3	(0.8)	(0.2)	21.3	21.5	-0.2	17.8	Due to lower economies of scale and dragged by lower 4Q22 EBITDA margin
Depn & amort.	-1.4	-1.5	(8.7)	(7.1)	-6.0	-6.3	-4.5	-3.8	
EBIT	7.9	12.7	(37.9)	(27.0)	38.5	52.0	-25.8	38.5	
Interest expense	0.0	-0.1	(24.6)	(18.9)	-0.2	-0.3	-18.6	0.0	
Interest & invt inc	0.1	0.2	(20.9)	(20.4)	0.6	0.7	-14.6	1.0	
Associates' contrib	-0.1	0.0	323.1	17.0	-0.1	0.0	216	0.0	
Exceptionals	1.5	-1.3	(210.9)	>100	1.3	-0.1	>100	0.0	Included one-off gain from disposal of vintage tea amounting to RM2.3m and provision for write off and net forex gain
Pretax profit	9.4	11.4	(17.8)	(13.5)	40.1	52.3	-23.2	39.5	
Tax	-3.3	-3.1	6.3	19.7	-10.9	-13.4	-18.3	-9.9	
Tax rate (%)	34.7	26.8	7.9	9.6	27.2	25.5	6.4	25.1	Higher tax rate due to certain expenses which were not deductible for tax purpose and losses of certain subsidiary companies which could not be off set against profits of certain subsidiaries
Minority interests	0.1	0.1	(27.7)	(76.4)	0.7	0.1	472	0.0	
Net profit	6.0	8.2	(26.6)	(21.8)	28.6	38.8	-26.4	29.6	
Core net profit	4.5	9.6	(52.5)	(41.0)	27.2	38.9	-30.0	29.6	Slightly below our expectations at 92% of our FY22 forecasts
<i>Core net margin %</i>	10.0	14.3	(4.3)	(3.0)	13.0	14.3	-1.3	12.5	
EPS (sen)	2.0	2.7	(26.6)	(21.8)	18.1	24.6	-26.4	9.9	
Core EPS (sen)	1.5	3.2	(52.5)	(41.0)	17.3	24.7	-30.0	9.9	

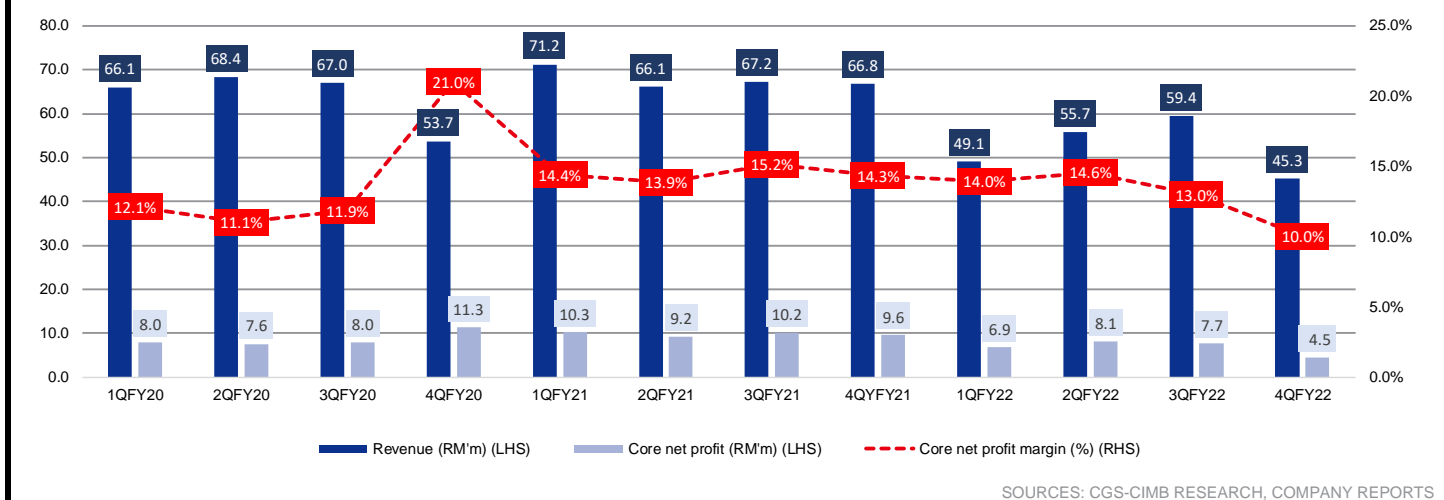
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: 4QFY22 segmental breakdown

Revenue (RM'm)	4QFY22	4QFY21	yoy % chg	3QFY22	qoq % chg	FY22	FY21	yoy % chg
Multi-Level Marketing	21.8	39.5	-44.7%	28.0	-0.2	115.4	172.4	-33.1%
Wholesale	13.7	16.1	-14.9%	17.2	-0.2	53.1	58.6	-9.3%
Retail	8.7	10.2	-14.4%	13.1	-0.3	37.0	35.8	3.2%
Others	1.0	1.1	-3.0%	1.1	0.0	4.1	4.6	-11.4%
EBIT (RM'm)	4QFY22	4QFY21	yoy % chg	3QFY22	qoq % chg	FY22	FY21	yoy % chg
Multi-Level Marketing	3.5	6.4	-45.2%	4.2	-0.2	21.0	33.6	-37.6%
Wholesale	4.8	2.7	76.5%	3.9	0.2	12.1	12.6	-3.6%
Retail	0.4	0.7	-37.3%	2.1	-0.8	3.5	1.3	166.6%
Others	0.9	1.0	-6.6%	0.6	0.5	3.4	3.4	-1.0%
Operating profit margin (%)	4QFY22	4QFY21	yoy % pts chg	3QFY22	qoq % pts chg	FY22	FY21	yoy % chg
Multi-Level Marketing	16.1%	16.2%	-0.1%	15.0%	1.1%	18.2%	19.5%	-6.7%
Wholesale	35.0%	16.9%	18.1%	22.8%	12.2%	22.8%	21.5%	6.2%
Retail	4.9%	6.8%	-1.8%	15.6%	-10.7%	9.5%	3.7%	158.3%
Others	86.9%	90.3%	-3.4%	55.8%	31.1%	83.4%	74.7%	11.7%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Beshom's quarterly results trend





ESG in a nutshell

In 2009, Beshom launched Hai-O Foundation to enhance its corporate social responsibility, focusing on reaching out to local communities, especially underprivileged groups, by championing educational and cultural causes. The foundation has since 2010 organised fundraising campaigns in aid of selected schools. Beshom also established the Hai-O Arts and Culture Grants to encourage the participation of all races in support of Malaysia's arts and culture. Beshom also spearheaded programmes such as "21st Century Smart Classrooms Education", which provided contemporary education tools and equipment to selected schools, and "Clothes of Confidence", supplying school uniforms to underserved communities. In this respect, we believe Beshom has done relatively well in the social (S) pillar. We are also encouraged by its environmentally-friendly initiatives and corporate governance measures as highlighted below. That said, further improvements could be made to strengthen its environment (E) and governance (G) aspects, which could re-rate the stock from an ESG standpoint.

Keep your eye on

As disclosed in its FY21 annual report, only two out of nine (22%) Beshom directors are female. This is fewer than the Malaysian Code of Corporate Governance's (MCCG) recommendation of at least 30% women directors. However, we take comfort from the fact that it had a higher proportion of female representation in its management team (64%) and MLM distributorship (76%) as at end-FY21.

Implications

We view the board composition negatively. However, Beshom aims to make the necessary efforts to appoint additional female directors in the near future to close the gap. Meanwhile, we are positive on the better gender diversity at its management level and in its MLM membership.

ESG highlights

As at end-FY21, Beshom had six independent directors out of its total nine board members (67%). This exceeded the Main Market Listing Requirement of at least one-third of the board comprising independent directors and the MCCG practice of having independent directors account for at least half the board.

Note that Beshom has not been included in the FTSE4Good Bursa Malaysia Index nor has it been rated by ESG rating providers such as FTSE Russell and Refinitiv.

Implications

We believe Beshom's overall ESG performance is decent, especially in its governance (G) and social (S) aspects, given its high composition of independent directors and its long-term track record of substantial contribution to community development/wellbeing since the establishment of its corporate social responsibility arm, Hai-O Foundation, in 2009 (e.g. organising charity campaigns to raise funds for selected schools since 2010).

Trends

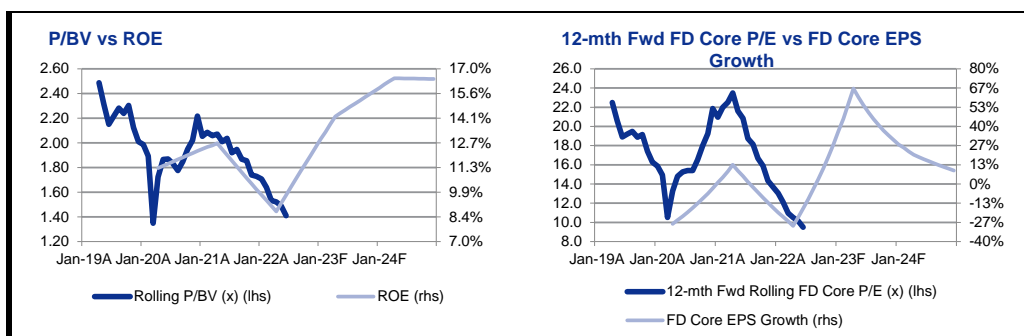
Beshom has initiated various environmentally-friendly measures over the past years, such as launching its "Sweetality Flexi Pack" green packaging, which enable consumers to reuse their old bottles, in 2021; "LED lighting systems" project (since 2017) to replace the lighting at both its buildings and retail outlets to improve energy efficiency; and launch of "e-membership platform" in 2017 to reduce paper waste materials.

Implications

We are positive on the company's efforts for environmental sustainability. As of FY21, the group recorded electricity savings of 49,285kWh from LED lighting systems, with 580 LED lights installed during the year. As of 30 Apr 2021, 10 out of the group's total 55 retail outlets were fully fitted with LED lighting systems. In FY21, 99.8% of its new members joined via its e-membership platform, resulting in 10% savings in the number of A4 paper reams ordered in FY21 vs. FY20. Nonetheless, we have not ascribed an ESG premium to Beshom's valuations at this juncture as we see room for further improvements in its packaging materials as consumer-packaged goods constitute a large portion of its sales.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(RMm)	Apr-21A	Apr-22A	Apr-23F	Apr-24F	Apr-25F
Total Net Revenues	271.4	209.6	326.1	363.6	371.1
Gross Profit	105.2	86.3	125.7	141.7	144.7
Operating EBITDA	58.3	44.6	66.3	78.7	80.6
Depreciation And Amortisation	(6.3)	(6.0)	(6.1)	(6.3)	(6.6)
Operating EBIT	52.0	38.5	60.2	72.5	74.0
Financial Income/(Expense)	0.4	0.4	1.0	1.2	1.4
Pretax Income/(Loss) from Assoc.	(0.0)	(0.1)	0.0	0.0	1.0
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	52.4	38.8	61.2	73.6	76.5
Exceptional Items	(0.1)	1.3	0.0	0.0	0.0
Pre-tax Profit	52.3	40.1	61.2	73.6	76.5
Taxation	(13.4)	(10.9)	(15.3)	(18.4)	(18.9)
Exceptional Income - post-tax					
Profit After Tax	38.9	29.2	45.9	55.2	57.6
Minority Interests	(0.1)	(0.7)	(0.0)	0.0	0.0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	38.8	28.6	45.9	55.2	57.6
Recurring Net Profit	38.9	27.6	45.9	55.2	57.6
Fully Diluted Recurring Net Profit	38.9	27.6	45.9	55.2	57.6

Cash Flow

(RMm)	Apr-21A	Apr-22A	Apr-23F	Apr-24F	Apr-25F
EBITDA	58.30	44.59	66.30	78.74	80.62
Cash Flow from Invt. & Assoc.					
Change In Working Capital	2.48	(2.72)	15.01	10.24	2.46
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	16.91	1.84	1.00	1.00	2.00
Other Operating Cashflow					
Net Interest (Paid)/Received	0.43	(0.22)	0.98	1.17	1.44
Tax Paid	(9.22)	(14.28)	(15.30)	(18.41)	(18.87)
Cashflow From Operations	68.89	29.21	67.99	72.74	67.65
Capex	(1.80)	(1.14)	(8.00)	(3.00)	(2.00)
Disposals Of FAs/subsidiaries	1.19	2.91	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	(19.50)	0.00	0.00	0.00	0.00
Other Investing Cashflow					
Cash Flow From Investing	(20.11)	1.77	(8.00)	(3.00)	(2.00)
Debt Raised/(repaid)	(1.87)	(1.73)	0.00	0.00	0.00
Proceeds From Issue Of Shares					
Shares Repurchased	(2.53)	(0.19)	0.00	0.00	0.00
Dividends Paid	(31.98)	(24.21)	(36.01)	(39.01)	(39.14)
Preferred Dividends					
Other Financing Cashflow	(0.69)	0.00	0.00	0.00	0.00
Cash Flow From Financing	(37.07)	(26.12)	(36.01)	(39.01)	(39.14)
Total Cash Generated	11.71	4.86	23.98	30.73	26.51
Free Cashflow To Equity	46.91	29.25	59.99	69.74	65.65
Free Cashflow To Firm	49.04	31.19	60.04	69.79	65.70

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Apr-21A	Apr-22A	Apr-23F	Apr-24F	Apr-25F
Total Cash And Equivalents	54.3	57.4	68.0	82.7	93.2
Total Debtors	21.7	21.8	25.0	26.9	26.4
Inventories	89.3	89.3	87.8	91.2	93.0
Total Other Current Assets	58.9	59.9	60.8	62.0	70.3
Total Current Assets	224.1	228.5	241.6	262.7	283.0
Fixed Assets	84.6	81.4	79.5	79.5	80.2
Total Investments	44.2	44.1	44.6	44.7	44.8
Intangible Assets	0.1	0.1	0.1	0.1	0.1
Total Other Non-Current Assets	17.4	16.8	16.8	16.8	15.3
Total Non-current Assets	146.2	142.3	141.0	141.0	140.3
Short-term Debt	0.0	0.0	0.5	0.5	0.5
Current Portion of Long-Term Debt					
Total Creditors	37.0	33.3	46.7	51.7	52.7
Other Current Liabilities	7.0	5.3	5.3	5.3	5.3
Total Current Liabilities	44.0	38.6	52.5	57.5	58.5
Total Long-term Debt	0.0	0.0	0.0	0.0	0.0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2.6	2.3	2.3	2.3	2.3
Total Non-current Liabilities	2.6	2.3	2.3	2.3	2.3
Total Provisions	0.3	0.4	0.4	0.4	0.4
Total Liabilities	46.9	41.3	55.1	60.2	61.2
Shareholders' Equity	313.1	317.5	327.4	343.6	361.1
Minority Interests	10.3	11.9	0.0	0.0	1.0
Total Equity	323.4	329.4	327.4	343.6	362.1

Key Ratios

	Apr-21A	Apr-22A	Apr-23F	Apr-24F	Apr-25F
Revenue Growth	6.4%	(22.8%)	55.6%	11.5%	2.1%
Operating EBITDA Growth	17.2%	(23.5%)	48.7%	18.8%	2.4%
Operating EBITDA Margin	21.5%	21.3%	20.3%	21.7%	21.7%
Net Cash Per Share (RM)	0.18	0.19	0.22	0.27	0.31
BVPS (RM)	1.04	1.06	1.09	1.15	1.20
Gross Interest Cover	197	179	1,205	1,449	1,481
Effective Tax Rate	25.5%	27.2%	25.0%	25.0%	24.7%
Net Dividend Payout Ratio	68.3%	88.2%	78.4%	70.7%	68.0%
Accounts Receivables Days	30.32	37.89	26.22	26.13	26.23
Inventory Days	200.5	264.6	161.4	147.7	148.5
Accounts Payables Days	89.1	104.2	72.9	81.1	84.1
ROIC (%)	24.6%	16.9%	26.1%	33.2%	33.7%
ROCE (%)	16.6%	12.0%	18.6%	21.9%	21.3%
Return On Average Assets	10.5%	7.4%	11.9%	13.7%	13.6%

Key Drivers

	Apr-21A	Apr-22A	Apr-23F	Apr-24F	Apr-25F
SG&A (% of revenue)	10.0%	12.0%	11.5%	11.5%	11.5%
MLM segment yoy revenue growth	0.1	(0.2)	0.6	0.2	0.0
MLM segment online sales growth	0.6	0.1	0.2	0.1	-
Whole segment yoy revenue growth	0.0	0.0	0.1	0.0	0.0
Retail segment yoy revenue growth	(0.0)	(0.0)	0.1	0.1	0.0
MLM member assumption ('000)	890.0	770.0	1,000.0	1,200.0	1,100.0
MLM member yoy growth	(0.2)	(0.1)	0.3	0.2	0.2
Revenue per member	1,937.6	1,791.7	2,207.3	2,115.4	2,353.8
Revenue per member yoy growth	0.4	(0.1)	0.2	(0.0)	0.1

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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Reduce	7.8%	0.2%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.